

OFFICIAL

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:

0 2 — 0 0 1

2. STATE:

Puerto Rico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 1, 2002

TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

FEDERAL STATUTE/REGULATION CITATION:

Section 1902 (aa) of the Act

PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B
Page 1

** See Remarks

7. FEDERAL BUDGET IMPACT:

a. FFY _____ \$ _____
b. FFY _____ \$ _____

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B
Page 1

SUBJECT OF AMENDMENT:

Prospective payment system for Federal Qualified Health Centers and Rural Health
Clinics under Section 702 of the Medicare, Medicaid and SCHIP Benefits Improvement and
Protection Act (BIPA) of 2000.

GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Not submitted to Governor's Office

SIGNATURE OF STATE AGENCY OFFICIAL:

TYPED NAME:

Johnny Rublan, MD

TITLE:

Secretary of Health

DATE SUBMITTED:

October 3, 2002

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY

DATE RECEIVED:

18. DATE APPROVED:

APR 08 2003

PLAN APPROVED - ONE COPY ATTACHED

EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 01 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

TYPED NAME:

Sue Kelly

22. TITLE: Associate Regional Administrator
Division of Medicaid State Operations

REMARKS:

New Pages have been submitted and approved.
They are Attachment 4.19B page 1.1 and page 1.1.2

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STATE PLAN UNDER THE SOCIAL SECURITY ACT
STATE Commonwealth of Puerto Rico

Methodology to Establish a Prospective Payment System (PPS) for Federally Qualified Health Centers and Rural Health Centers in accordance with the Benefits Improvement and Protection Act of 2000 (BIPA)

The Medicaid State Agency will determine the total costs of the Medicaid covered services furnished by the FQHCs/RHCs during fiscal years 1999 and 2000 and divide these costs by the total number of visits made to the FQHC/RHC by Federally matchable Medicaid beneficiaries. The resulting quotient will be the FQHC/RHC prospective payment rate (PPS) for 2001. This PPS rate will be updated annually in accordance with the Medicare Economic index (MEI) as published by the Centers for Medicare and Medicaid Services. PPS rates will also be adjusted for a change in the scope of services. A change in the scope of services is defined as a change in the type, intensity, duration and/or amount of services.

For new providers (entities first qualifying as FQHC/RHC after December 31, 2000), interim PPS rates will be calculated. These rates will be subject to final settlements through December 31 of the initial and second year of the FQHC/RHC's existence. New FQHC/RHC's rate years will be calendar years, thus the initial year may represent less than a full year of operation. The interim PPS encounter rate will be the Commonwealthwide average PPS encounter rate. After the first two years, the PPS encounter rate will be based on the average of the first two years' encounter rates, as determined at final settlement, adjusted by the MEI and any changes in scope of services.

TN

02-01

SupercedesTN

New
new

Approved date

APR 08 2003

Effective date

JUL 01 2002

STATE PLAN UNDER THE SOCIAL SECURITY ACT
STATE Commonwealth of Puerto Rico**OFFICIAL****Methodology for Wrap around payments to Federally Qualified Health Centers/Rural Health Centers (FQHC/RHC)**

Wrap around payments to Federally Qualified Health Centers and Rural Health Centers serving Federally matched Medicaid beneficiaries in managed care plans will be made on a quarterly basis. Effective for managed care encounters provided on or after January 1, 2001, the amount of the wrap around will be calculated based on the FQHC/RHC PPS encounter rate. The FQHC/RHC will receive 100% of the difference between what it would have received under PPS and the revenues received from the managed care organization for services rendered to Federally matchable Medicaid beneficiaries. In the event that the revenues received from the managed care organization are equal to or in excess of what the FQHC/RHC would have received under PPS, no wrap around payment will be made. In the event that the Medicaid Agency erroneously overpays the FQHC/RHC (e.g., makes a wrap around payment when none was due), the provider must reimburse the Commonwealth for the amount of the overpayment within 90 days of being notified of the overpayment.

TN

02-01**New**SupercedesTN new

Approved date

APR 08 2003

Effective date

JUL 01 2002